

EXHIBIT 24

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

IN RE: PORK ANTITRUST) Civil No. 18-1776
LITIGATION) (JRT/HB) 0:21-md-
) 02998-JRT-HB
) MDL No. 2998

DEPOSITION OF DANIEL GROFF

Taken at the Courtyard by Marriott,
Philadelphia Lansdale, 1737 Summneytown Pike,
Lansdale, Pennsylvania, on Wednesday, December 15,
2021, commencing at 9:00 a.m., by Leandra M.
Stoudt, RPR, CBC, CCP, CRR, Notary Public.

1 little bit about a few years that counsel for the
2 plaintiffs asked you about: 2008, 2009, 2010, that
3 time period.

4 A. Sure.

5 Q. Just at a high level, what was going
6 on in the industry in, like, 2008? Was it a good
7 time for the hog producers?

8 MR. WHEELER: Objection, leading.

9 A. As I've said in previous testimony,
10 what I recall of 2008, 2009, it was a -- it was a
11 blood bath. It was an extremely difficult time for
12 hog production. Extremely high losses per pig due
13 to high grain markets that were a product of the
14 Ethanol industry.

15 I mean, we mandated, as a, country
16 corn going into our gas tanks, and the price of
17 corn, I want to say, doubled overnight. Probably
18 it was even more than that. Historically, corn was
19 2 to \$3 a bushel and all of a sudden it was \$6 a
20 bushels. And so that directly impacts the cost of
21 production to raise a hog. That -- again, so that
22 skyrocketed for producers,

23 And then, as I said, in 2009, we had a
24 significant event that affected demand, which was
25 the swine flu, or H1N1, which created fears about

1 eating pork and suppressed demand for pork as well.
2 So you kind of had the double whammy of poor demand
3 for pork, extremely high cost to raise hogs.
4 Producers lost a ton of money.

5 Q. So -- and that's a lot to unpack, so
6 let me just follow up on a few things.

7 Why does the price of corn matter in
8 the world of hog production?

9 A. Corn is the number one input cost in
10 raising pigs. It's the predominant ingredient in
11 their feed, and feed is the -- the largest
12 predominant cost in overall raising of a hog.

13 Q. At one point you mentioned something
14 about hog producers losing money on hogs. Can you
15 explain to me what you meant by that in the context
16 of '08? What was going on?

17 A. Yeah, so I'm not going to remember the
18 exact figures at this point in terms of cost of
19 production relative to markets. It's a matter of
20 public record. It can be looked up.

21 But basically, if I'm an independent
22 farmer that's selling hogs, I would -- for every
23 hog I sent to market, I would have been losing 30,
24 40, \$50 a head.

25 Q. Hold on. So the hog farmers sell the

1 hog, and they're losing money in every hog they
2 sell?

3 A. Yes.

4 MR. WHEELER: Objection, leading.

5 Q. When that happens, in your experience,
6 do the producers typically increase supply or
7 decrease it?

8 MR. WHEELER: Objection, leading.

9 A. When -- when producers lose money on
10 raising hogs, again, obviously, like, they have
11 banking relationships they have to maintain. You
12 know, and so normally leads to contraction in the
13 industry because they aren't able to continue to
14 operate while losing money.

15 Q. And you mentioned something about the
16 swine flu impacting demand. Can you just help me
17 understand that?

18 A. So the -- from what I recall in 2009,
19 there was this, again, H1N1 virus. It was like a
20 global pandemic type of a thing, similar to what we
21 have gone through with COVID. And so it, for
22 whatever reason -- I don't know the origin -- got
23 branded as the swine flu.

24 And so consumers thought that that
25 somehow -- even though industry education at the